

Memorandum



Date: July 14, 2015

To: Honorable Chairman, Jean Monestime
and Members, Board of County Commissioners

From: Carlos A. Gimenez
Mayor

Supplement
Agenda Item No. 14(A)(19)

Subject: Supplement to Recommendation for Approval to Authorize Execution of a Lease Agreement with the City of Miami for the Manuel Artime Community Center

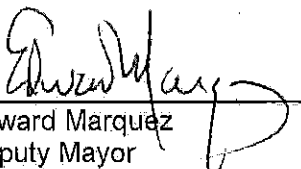
This supplement is in response to a request by Commissioner Daniella Levine Cava at the July 7, 2015 meeting of the Strategic Planning and Government Operations Committee for staff to contact the City of Miami (City) and request a rental rate of \$1.00 or, alternatively, a reduced rental rate.

Staff from the Real Estate Development Division of the Internal Services Department negotiated the lease agreement with the City, which set the rental rate at \$15.00 per square foot pursuant to legislation adopted by the City Commission (File No. 08-00087). However, staff contacted to the City and was advised that rent could not be reduced due to the City's policy. A waiver of that policy would require an approved resolution by the City Commission waiving its prior resolution.

It is important to note that when the County leases an entire building from the City, as opposed to a portion of the building, the agreed upon rent is usually a nominal rate, such as \$1.00. It is feasible for the City to lease the space to the County at a nominal rate since the responsibility of the various expenses associated with the entire property (including janitorial, utilities, maintenance, and improvements) are borne entirely by the County. The same is occurs when the County leases an entire building to the City.

In the case of the lease at the Manuel Artime Community Center, the County is only leasing a portion of the building. Therefore, the City remains responsible for the expenses associated with maintaining the entire building, including common area maintenance. These expenses are generally recovered by sharing the cost amongst the various tenants of the building through the rental rate fees.

Therefore, it is not uncommon for the City to charge the County rent for utilizing a portion of the facility to recover some of the common area maintenance costs. Had the County rented out the entire facility, the rental rate would be nominal given that all other expenses would be independently covered by the County.


Edward Marquez
Deputy Mayor